

Commissioner Jourová's speaking points in front of the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance, at the European Parliament on 25 June 2018

*Speech by Commissioner **Jourová**, in charge of Justice, Consumers and Gender Equality, in front of the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance, at the European Parliament, on 25 June 2018*

Honourable Members,

Thank you very much for the invitation to address this special committee. The Commission appreciates your continued focus on the fight against money laundering and tax evasion. These are crucial issues for citizens and their trust in institutions both at national and EU level.

We have advanced considerably together and I thank you for your support. Since my last appearance before the Money laundering, tax avoidance and tax evasion Committee, we have taken very important steps to strengthen the EU legal framework to combat financial crime, including money laundering.

In the remainder of my mandate, my focus will be on implementing and enforcing the Anti-Money Laundering framework, finalising pending legislative initiatives against financial crime and working to address future challenges and new technologies.

As you know the **revised (5th) Anti-Money Laundering Directive** enters into force in two weeks' time. Member States have until January 2020 to transpose its important innovations, notably on the key issues of beneficial ownership transparency, virtual currencies and supervision. The Commission will support Member States in this process.

I would also like to welcome the recent trilogue agreement on the Regulation on mutual recognition of **freezing and confiscation** measures. This is a very important step in preventing the further use of criminal assets.

I would now like to give you an overview of where we stand in monitoring the **implementation of the 4th Anti-Money Laundering Directive**.

One year after the transposition deadline, I am disappointed that the transposition process by Member States has been slow and unsatisfactory. The Commission has already opened infringement proceedings against all those Member States that failed to notify their implementing legislation by the deadline for transposition.

There are currently open infringement procedures against 20 Member States in relation to their non-transposition. Meanwhile, most Member States have adopted and notified missing transposition measures. We will continue infringement proceedings against those Member States whose transposition of the 4th Anti Money Laundering Directive remains missing or incomplete.

In parallel we have started the process of scrutinizing the content of the notified legislation.

The Commission also has to do its part in the concrete implementation of the Anti-Money Laundering Directive, for example with regard to Article 9 on high risk third countries.

The detailed **methodology for assessing third countries** was published last Friday 22 June and transmitted to your Committee chair.

This has to be a transparent process. Third countries will not be taken by surprise, but indeed assisted to address deficiencies in their Anti-Money Laundering /Countering Terrorist Financing regimes.

Firstly, we will prioritise which countries need to be assessed by the end of this year. We will work with information from Europol, the European External Action Service and the Financial Action Task Force, looking at where the risk is highest for the integrity of the EU financial system.

The assessment criteria are based on the requirements of the Anti-Money Laundering Directive. A qualitative assessment will be done for each of those criteria taking into account the risk profile of the country, resulting in the identification of third countries presenting strategic deficiencies.

And by the end of this year, the Commission will present its first Delegated Regulation updating the list of high-risk third countries, based on the autonomous EU methodology.

As from 2019, the Commission will ensure follow-up of the listed countries, monitor their progress in addressing their deficiencies and remove them from the EU list if they correct strategic deficiencies, based on specific criteria. The situation of countries already assessed will be reviewed when new information becomes available.

The assessment of priority 2 countries will start in 2019. I know that there have been questions raised with regard to the completion of this process that will take several years. However, according our estimate, more than 85% of all countries in the scope of the EU assessment will be covered by 2022, which means most of the countries with substantial transactions with the EU financial system.

I would like to thank Members of the European Parliament who have provided input to our work on this methodology.

My services in DG Justice will make themselves available for further discussions on this methodology, if you would find this useful.

In the meantime, the Commission remains strongly engaged in the **Financial Action Task Force (FATF) framework**. The FATF plenary takes place as we speak.

The Commission seeks to ensure a coordinated EU approach in these discussions. And we will carefully assess the outcome in terms of listing of third countries.

Let me now briefly refer to several relevant pending legislative initiatives the Commission has tabled in April this year.

The recommendations of the Panama inquiry committees called for a **stronger cooperation between Financial Intelligence Units**. We have therefore adopted on 17 April a proposal to further facilitate such co-operation, including between Financial Intelligence Units and law enforcement authorities. I hope that the Parliament can quickly decide on the responsible committee(s), so that the work can start and we will be able to reach agreement before the European elections.

The Panama recommendations also asked for **stronger protection of whistle-blowers**. The Commission has therefore proposed high common minimum standards of protection for whistle-blowers who unveil illegal activities and abuses in a wide range of areas:

- where violations of EU law can cause serious harm to the public interest and
- where protection of whistle-blowers, thanks to the information they bring, is necessary to improve enforcement of EU law.

The proposal envisages the establishment of safe channels for reporting both within an organisation and to public authorities. It will also protect whistle-blowers against dismissal, demotion and other forms of retaliation.

I would also like to mention the importance of our proposal **on cross-border access to electronic evidence**. This is extremely important for the work of our prosecutors on all criminal investigations, including on money laundering and tax evasion. The proposal updates the legal framework to the challenges of the digital age and I hope that the Civil Liberties, Justice and Home Affairs Committee will start working on this file as soon as possible.

This brings me to the work we are doing to prepare the ground for future work in the area of money laundering.

The digital age brings specific challenges also in this area. We are following closely the **impact of new technologies in the financial sector**, for example with a new Expert group on electronic identification established in December 2017.

Furthermore, as foreseen by the , the Commission will assess by June 2019 the exchange of information between Financial Intelligence Units and third countries and on ways to **strengthen intra-EU cooperation**, including the possibility to set up a centralised body.

The recent scandals with the Maltese Pilatus and Latvian ABLV banks also show that cooperation between Anti-Money Laundering and banking supervision should be improved.

The 5th Anti-Money Laundering Directive that I mentioned at the outset provides the legal framework for this. And we need to draw practical lessons from the events in Malta and Latvia.

Together with Vice-Presidents **Timmermans** and **Dombrovskis**, I have therefore launched a new Joint Working Group, which includes the European financial supervisory authorities. It will discuss how to better integrate Anti-Money Laundering aspects into prudential supervision and how to improve cooperation and information exchange between anti-money laundering supervisors and other (prudential) banking supervisors.

Thank you for your attention and I look forward to your questions

[Joint statement by Vice-President Ansip and Commissioner Gabriel on the progress to build European supercomputers](#)

Vice-President for the Digital Single Market Andrus **Ansip** and Commissioner for Digital Economy and Society Mariya **Gabriel** welcomed the Council's decision to support the Commission's plans to invest jointly with the Member States in building a world-class infrastructure for supercomputing in Europe:

"Today's endorsement of our proposal by the Council is another major step towards closer cooperation and more investments in the field of supercomputing. Joining forces for building European supercomputing capacity is essential for the EU's competitiveness and independence in the data economy.

Currently the EU is at risk of falling behind in the global supercomputing race: at the moment we do not have any supercomputers in the world's top ten and European scientists and industry increasingly process their data outside the EU because their needs are not matched by the computation time or computer performance available in the EU.

With the new legal and funding structure – the EuroHPC Joint Undertaking – we aim to create world-class High-Performance Computing infrastructure in Europe by 2020, and to be at the forefront of developing new supercomputing technology and the skills and applications associated with it.

Supercomputing is already changing the lives of European citizens, be it through personalised medicine or energy saving, or by helping to tackle global challenges through climate change modelling, preventing and controlling epidemics, and advancing neuroscience. As no European country has the capacity to develop these resources individually, cooperation, knowledge-sharing and the pooling of resources at European level are essential."

Next steps

The European Parliament will vote on the Commission's proposal to create the EuroHPC Joint Undertaking in July, before the Regulation is formally adopted by the Council of the EU.

Background

The [EuroHPC Joint Undertaking](#) was proposed by the European Commission on 11 January 2018. It is a legal and funding instrument that will pool EU and national resources and private investment at a level comparable with global competitors with the goal of:

- acquiring and providing across Europe by 2020 a world-class pre-exascale (10^{17} calculations per second) and petascale (10^{15} calculations per second) supercomputing infrastructure, in order to match the demanding application requirements of Europe's scientific and industrial users;
- supporting the development of European supercomputing technology, including research and innovation for building hardware as well as the applications (software) to run on them. For example, this includes developing the first generation of European low-power microprocessor technology and the co-design of European exascale machines (capable of at least a billion billion or 10^{18} calculations per second);
- fostering advanced skills development and wider use of supercomputing across the EU;
- supporting the creation, networking and coordination of national High-Performance Computing centres across the EU.

The Joint Undertaking builds on the [European declaration on High-Performance Computing](#) launched in 2017. Currently, [20 European countries](#) have signed the EuroHPC Declaration; other members are able to join at any moment, provided that they pledge a financial contribution.

The EU's contribution to EuroHPC Joint Undertaking will be around €486 million under the current Multiannual Financial Framework, matched by a similar amount from Member States and associated countries. Overall, it is envisaged that around €1 billion of public funding will be invested by 2020, and private members of the initiative may also add in-kind contributions.

The Joint Undertaking is expected to start operating in 2019 and remain operational until the end of 2026. It will provide financial support, in the form of procurement and research and innovation grants to participants following open and competitive calls. The new infrastructure will be jointly owned and operated by the Joint Undertaking members.

For More Information

Press release: [Cooperation for building a world-class supercomputers infrastructure in Europe](#)

[European declaration on High-Performance Computing](#)

Trade with Australia and New Zealand: negotiating directives made public

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On 25 June, the Council decided to publish the mandates given to the Commission on 22 May to negotiate trade agreements with Australia and New Zealand.

Trade agreements with both countries would aim primarily at **further reducing existing barriers to trade**, removing custom duties on goods, and giving better access for services and public procurement in Australia and New Zealand. The sectors likely to benefit the most from the FTAs are **motor equipment, machinery, chemicals, processed foods and services**.

The negotiating directives are particularly concerned to **protect vulnerable sectors such as agriculture** by maximising the benefits of market opening without harming local producers. The mandates do not envisage full liberalisation of trade in agricultural products, which are foreseen as benefiting from specific treatment.

The mandates also provide for a comprehensive and modern framework, based on the **highest standards of labour, safety, environment, climate and consumer protection**.

The Commission officially launched the trade negotiations with Australia and New Zealand, respectively on 18 and 21 June. A first round of talks is expected to take place in the course of July.

[Visit the meeting page](#) [Download as pdf](#)

Joint press statement following the ninth meeting of the Stabilisation and Association Council between the EU and Montenegro

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EES Advisory Group comes together for their first meeting

The newly formed Entry-Exit System Advisory Group (EES AG), part of eu-LISA's governance structure, will hold its first working meeting on 25 June in Tallinn. The Advisory Group convenes at a time when the Agency, having received the legal mandate for the establishment of an Entry-Exit System, has made all the preparations for the new system and will start regular working meetings with the new system's governing body.

The role of the EES AG is to provide, during the designing and development phase of EES, technical expertise to support the tasks of the EES Programme Management Board, follow-up and coordinate all related activities both centrally and at national level, as well as provide support with various technical issues related to developing the system. The EES AG will also

follow-up and coordinate all activities related to adapting VIS and BMS for EES purposes and will provide the Agency's Management Board with expert technical advice.

The EES Advisory Group will be composed of national EES project managers, Europol's included, and chaired by eu-LISA.

The first meeting will bring together all relevant project teams to go through various topics, amongst which the current state of play and a plan for the next steps.

The Executive Director of eu-LISA, Krum Garkov, explained the importance of the Advisory Group:

"The Entry-Exit System Advisory Group has been setup by eu-LISA and it is an important step towards the implementation of EES. The group will be instrumental in supporting the tasks of the EES Programme Management Board. Its primary tasks will be to coordinate the work of the Agency and the Members States in their efforts to implement EES in the EU and to serve as a focal point to address technical and operational matters related to the implementation and use of EES. In short, the EES advisory Group gathers expert parties around the same table in order to support successful implementation of the latest EU information system, entrusted to eu-LISA by our legislators."



Theofanis Syrigos, the Chairman of EES Advisory Group, added: *"The Schengen Area allows people to travel without internal border controls; the increasing numbers of people travelling to the Union requires efficient management of the Union's common external borders to ensure strong protection. EES is a new central register that will address the effective access management to the EU and will be essential to efficient cross-border movement. eu-LISA, in close cooperation with Member States, will build up the new system and will extend the existing Visa Information System and the Biometric Matching System in line with the legal provisions, for the benefit of all EU citizens. Therefore the coordination amongst all involved stakeholders is extremely important."*

The Entry Exit System, the development of which is entrusted to eu-LISA, addresses an important gap in the landscape of existing EU information systems and will replace, amongst others, the current practice of manual stamping of passports. It will do this by electronically registering, in a central database, biographic and biometric information, the date and place of entry and exit of the third country nationals, visiting the Schengen area for a short stay. The system will modernise and increase automation at border-controls as well as improve reliable identification of over-stayers, whilst strengthening internal security and fighting terrorism and organised crime.